

149 FERC ¶ 61,120  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;  
Philip D. Moeller, Tony Clark,  
and Norman C. Bay.

MATL, LLP

Docket Nos. ER14-2533-000  
ER14-2533-001

ORDER ON COMPLIANCE FILING

(Issued November 14, 2014)

1. On July 30, 2014, as amended on September 17, 2014, MATL, LLP (MATL) submitted, pursuant to section 205 of the Federal Power Act (FPA),<sup>1</sup> certain variations to the Small Generator Interconnection Procedures (SGIP) and Small Generator Interconnection Agreement (SGIA) in Attachment N of its Open Access Transmission Tariff (OATT) in compliance with Order No. 792.<sup>2</sup> On September 17, 2014, MATL filed an amendment to correct a technical error in Attachment N of its initial filing.<sup>3</sup> In this order, we accept the amended compliance filing, to be effective August 1, 2014, as requested.

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 78 Fed. Reg. 73,240 (Dec. 5, 2013), 145 FERC ¶ 61,159 (2013) (Order No. 792 or Final Rule), *clarified*, Order No. 792-A, 146 FERC ¶ 61,214 (2014) (Order No. 792-A).

<sup>3</sup> MATL submitted a separate section 206 filing to comply with Order No. 792 in Docket No. ER14-2522-000 which will be addressed separately.

## **I. Background**

### **A. Order No. 2006**

2. In Order No. 2006,<sup>4</sup> the Commission established *pro forma* SGIP and a *pro forma* SGIA for the interconnection of small generation resources no larger than 20 megawatts (MW). The *pro forma* SGIP describes how an interconnection customer's interconnection request (application) should be evaluated, and includes three alternative procedures for evaluating an interconnection request. These procedures include the Study Process, which can be used by any generating facility, and two procedures that use certain technical screens to quickly identify any safety or reliability issues associated with proposed interconnections: (1) the Fast Track Process for certified small generating facilities no larger than 2 MW; and (2) the 10 kilowatt (kW) Inverter Process for certified inverter-based small generating facilities no larger than 10 kW.

### **B. Order No. 792**

3. Order No. 792 amends the Commission's *pro forma* SGIP and *pro forma* SGIA<sup>5</sup> adopted in Order No. 2006 as follows: (1) incorporating provisions in the *pro forma* SGIP that provide an interconnection customer with the option of requesting from the transmission provider a pre-application report providing existing information about system conditions at a possible point of interconnection;<sup>6</sup> (2) revising the 2 MW threshold for participation in the Fast Track Process included in section 2 of the *pro forma* SGIP;<sup>7</sup> (3) revising the *pro forma* SGIP customer options meeting and the supplemental review following failure of the Fast Track screens so that supplemental review is performed at the discretion of the interconnection customer and includes minimum load and other screens to determine if a small generating facility may be interconnected safely and reliably;<sup>8</sup> (4) revising the *pro forma* SGIP facilities study

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<sup>4</sup> *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180 (Order No. 2006), *order on reh'g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006).

<sup>5</sup> See 18 C.F.R. § 35.28(f) (2014).

<sup>6</sup> Order No. 792, 145 FERC ¶ 61,159 at PP 37-40.

<sup>7</sup> *Id.* PP 102-110.

<sup>8</sup> *Id.* PP 117, 141-148, 156-161.

agreement to allow the interconnection customer the opportunity to provide written comments to the transmission provider on the upgrades required for interconnection;<sup>9</sup> (5) revising the *pro forma* SGIP and the *pro forma* SGIA to specifically include energy storage devices;<sup>10</sup> and (6) clarifying certain sections of the *pro forma* SGIP and the *pro forma* SGIA.<sup>11</sup> The reforms were adopted to ensure that interconnection time and costs for interconnection customers and transmission providers are just and reasonable and to help remedy undue discrimination, while continuing to ensure safety and reliability.

4. Order No. 792 requires each public utility transmission provider to submit a compliance filing within six months of the effective date of Order No. 792 to demonstrate that it meets the requirements of the Final Rule.<sup>12</sup> Filings adopting the revised SGIP and SGIA without variation are to be filed under section 206 of FPA.<sup>13</sup> The Commission stated that it would consider variations from the Final Rule.<sup>14</sup> In Order No. 792-A, the Commission clarified that a public utility transmission provider may submit a filing under FPA section 205 demonstrating “that either a variation that has not been previously approved by the Commission, or a previously-approved variation from the [Order No. 2006] *pro forma* language that has been substantively affected by the reforms adopted in the Final Rule, meets one of the standards for variance provided for in the Final Rule, including independent entity variations, regional reliability variations, and variations that are ‘consistent with or superior to’ the Final Rule.”<sup>15</sup>

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<sup>9</sup> *Id.* PP 203-209.

<sup>10</sup> *Id.* PP 227-231.

<sup>11</sup> *Id.* PP 235-236, 243, 246-248, 257-261.

<sup>12</sup> *Id.* P 269.

<sup>13</sup> Order No. 792-A, 146 FERC ¶ 61,214 at P 2.

<sup>14</sup> Order No. 792, 145 FERC ¶ 61,159 at P 270.

<sup>15</sup> Order No. 792-A, 146 FERC ¶ 61,214 at P 3. *See also* Order No. 792, 145 FERC ¶ 61,159 at PP 273-274.

## **II. Compliance Filing**

5. MATL submits for filing revisions to Attachment N of its OATT<sup>16</sup> that reflect certain variations that were previously accepted by the Commission as part of the initial development of MATL's OATT.<sup>17</sup> MATL notes that these proposed revisions reflect specific business practices and pre-conditions for transmission service on its merchant transmission line. Specifically, MATL proposes the following revisions to the *pro forma* tariff as revised in Order No. 792 including: (1) the elimination of provisions concerning Network Integration Service; (2) the elimination of the option for filing unexecuted Interconnection Agreements by interconnection customers; and (3) a requirement for all interconnection customers to execute a Transmission Scheduling Rights Purchase and Sale Agreement (TSR Agreement), as part of the interconnection process. MATL requests an effective date of August 1, 2014 for its proposed deviations.

## **III. Notice of Filing and Responsive Pleadings**

6. Notice of MATL's July 30, 2014 compliance filing was published in the *Federal Register*, 79 Fed. Reg. 45,794 (2014), with interventions and protests due on or before August 20, 2014. None was filed. Notice of MATL's September 17, 2014 compliance filing was published in the *Federal Register*, 79 Fed. Reg. 58,763 (2014), with interventions and protests due on or before October 8, 2014. None was filed.

## **IV. Discussion**

7. We find that MATL's proposed revisions are consistent with or superior to the requirements adopted in Order No. 792. Accordingly, we will accept MATL's compliance filing to be effective August 1, 2014, as requested.

### **A. Network Resource Interconnection Service**

8. In Order No. 792, the Commission revised section 1.1.1 of the *pro forma* SGIP to require interconnection customers wishing to interconnect a small generating facility using Network Resource Interconnection Service to do so under the LGIP and to execute the large generator interconnection agreement.<sup>18</sup> The Commission explained that this

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<sup>16</sup> MATL's SGIP is located in Attachment N of its OATT and the SGIA is located in Attachment N, Attachment 9 of its OATT.

<sup>17</sup> July 30, 2014 Transmittal at 3.

<sup>18</sup> Order No. 792, 145 FERC ¶ 61,159 at PP 232, 235.

requirement was included in Order No. 2006<sup>19</sup> but was not made clear in the *pro forma* SGIP. To facilitate this clarification, the Commission also required the addition of the definitions of Network Resource and Network Resource Interconnection Service to Attachment 1, Glossary of Terms, of the *pro forma* SGIP.<sup>20</sup>

9. The Commission stated in Order No. 792 that it did not intend to require revisions to interconnection procedures that have previously been found to be consistent with or superior to the *pro forma* SGIP and *pro forma* SGIA with regard to this Order No. 2006 requirement or permissible under the independent entity variation standard.<sup>21</sup>

### **1. Compliance Filing**

10. MATL states that, on April 1, 2005, as amended on March 31, 2006, it submitted an application for authority to sell transmission rights at negotiated rates and a corresponding OATT. MATL states that in those filings, it asserted that the MATL project, a solitary transmission line, should not contain provisions for network service because it operates as a “single line, not a network of lines [and therefore the MATL Project] cannot provide Network Service.”<sup>22</sup> In addition, MATL states that it contended that the network service provisions of the *pro forma* OATT were not applicable, and that given the novel and unique circumstances, the Commission agreed in finding the removal of the provisions acceptable.<sup>23</sup>

11. MATL proposes to revise its Attachment N to exclude references to Network Resource Interconnection Service. Specifically, MATL proposes to remove: (1) the last sentence of section 1.1.1 of the *pro forma* SGIP which requires that “[i]f the interconnection customer wishes to interconnect its Small Generating Facility using Network Resource Interconnection Service, it must do so under the Standard Large Generator Interconnection Procedures and execute the Standard Large Generator Interconnection Agreement[]”; (2) the definition of “Network Resource” from

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<sup>19</sup> Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 140.

<sup>20</sup> Order No. 792, 145 FERC ¶ 61,159 at PP 232, 235.

<sup>21</sup> *Id.* P 236. *See also id.* PP 273, 274.

<sup>22</sup> July 30, 2015 Transmittal at 4.

<sup>23</sup> *Id.* at 5 (citing *Montana Alberta Tie, Ltd.*, 116 FERC ¶ 61,071 (2006) (July 20 Order) authorizing sale of transmission rights subject to conditions, granting and denying waiver, and conditionally accepting and suspending tariff sheets).

Attachment 1 – Glossary of Terms of the *pro forma* SGIP; and (3) the definition of Network Resource Interconnection Service from Attachment 1 – Glossary of Terms of the *pro forma* SGIP. MATL asserts that these revisions will bring its SGIP into conformity with the rest of MATL’s OATT, which does not provide for network service.

## **2. Commission Determination**

12. We find that it is appropriate for MATL to remove language regarding Network Resource Interconnection Service from its SGIP, as proposed by MATL, to reflect that MATL does not provide network service under its OATT. Consistent with the Commission’s determination in previous proceedings with respect to MATL’s OATT, we find that the network service provisions are not applicable because MATL provides only point-to-point transmission service. Therefore, we find that MATL’s SGIP, as modified, is consistent with the Commission’s *pro forma* SGIP, as modified by Order No. 792.

### **B. Review of Required Upgrades**

13. In Order No. 792, the Commission revised the *pro forma* SGIP facilities study agreement to allow interconnection customers to provide written comments on the required upgrades identified in the facilities study so that interconnection customers would have a meaningful opportunity to review upgrades associated with their projects and engage in a meaningful dialogue with the transmission provider.<sup>24</sup> The Commission required the transmission provider to include the interconnection customer’s written comments in the final facilities study report.<sup>25</sup>

14. In addition, the Commission found that interconnection customers are entitled to review the supporting documentation for the facilities study because the interconnection customer is funding the study. The Commission also found that transmission providers are entitled to collect all just and reasonable costs associated with producing the facilities study, including any reasonable documentation costs.<sup>26</sup>

15. The Commission noted that the transmission provider is not under an obligation to modify the facilities study after receiving the interconnection customer’s comments and makes the final decision on upgrades required for interconnection because the

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<sup>24</sup> Order No. 792, 145 FERC ¶ 61,159 at P 203.

<sup>25</sup> See section 9.0 of the *pro forma* SGIP facilities study agreement.

<sup>26</sup> Order No. 792, 145 FERC ¶ 61,159 at P 204.

transmission provider is ultimately responsible for the safety and reliability of its system.<sup>27</sup>

16. In Order No. 792, the Commission rejected a request for regulatory review of required upgrades when there is a dispute because the parties have the option of utilizing the dispute resolution procedures outlined in section 4.2 of the *pro forma* SGIP to resolve such disputes.<sup>28</sup> In addition, in the event the dispute cannot be resolved, the Commission noted that under section 4.8 of the *pro forma* SGIP, the interconnection customer has the option of requesting that the transmission provider file the unexecuted interconnection agreement with the Commission.<sup>29</sup>

### **1. Compliance Filing**

17. MATL states that the Commission previously accepted its proposed revisions to the *pro forma* SGIP section 4.8 eliminating the interconnection customer's right to request the filing of an unexecuted SGIA. MATL explains that the proposed revisions are necessary to avoid a customer obtaining transmission service on the transmission line before the customer has been awarded capacity rights or before the customer has secured participation in MATL's auction process through the execution of a TSR Agreement. MATL also states that the proposed revisions were found to be consistent with both the Commission's July 20 Order and, where applicable, the *pro forma* OATT.<sup>30</sup>

18. In the instant filing, MATL proposes to revise the *pro forma* SGIP section 4.8, as revised in Order No. 792, as follows:

#### **4.8 Interconnection Agreement**

After receiving an interconnection agreement from the Transmission Provider, the Interconnection Customer shall have 30 Business Days or another mutually agreeable timeframe to sign and return the interconnection agreement ~~or request that the Transmission Provider~~

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<sup>27</sup> *Id.* P 207.

<sup>28</sup> *Id.* P 206.

<sup>29</sup> *Id.* P 206 n.385 (citing section 4.8 of Appendix C (Revisions to the *pro forma* SGIP)).

<sup>30</sup> July 30, 2014 Transmittal at 7 (quoting *Montana Alberta Tie, Ltd.*, 119 FERC ¶ 61,216 (2007)).

~~file an unexecuted interconnection agreement with the Federal Energy Regulatory Commission.~~ If the Interconnection Customer does not sign the interconnection agreement, ~~or ask that it be filed unexecuted by the Transmission Provider within 30 Business Days,~~ the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.

19. MATL also proposes to revise *pro forma* SGIA section 1.10 to require the interconnection customer to sign a TSR Agreement in order to qualify for Interconnection Service. MATL states that this requirement is permitted under the Commission's order authorizing MATL to sell transmission rights at negotiated rates (requiring that a customer be awarded capacity rights and execute a service agreement prior to commencement of transmission service)<sup>31</sup> and the Commission's order approving MATL's sale of short-term capacity through an auction process.<sup>32</sup> MATL notes that, under its short-term capacity auction process, the customer participates in the auction process and a service agreement is executed prior to the commencement of service. MATL asserts that the same principle must apply in MATL's SGIA to ensure that the customer and MATL agree on the rates and terms of service prior to the customer taking transmission service.

## 2. Commission Determination

20. The Commission previously acknowledged that some provisions of the Order No. 888 *pro forma* OATT may not be compatible with a merchant transmission provider's business model.<sup>33</sup> The Commission also agreed with MATL that, given its

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<sup>31</sup> *Id.* at 8 (citing July 20 Order, 116 FERC ¶ 61,071 at PP 26-49; *MATL LLP et al.*, 139 FERC ¶ 61,208, at PP 13-24 (2012)).

<sup>32</sup> *Id.* (citing *MATL, LLP*, 147 FERC ¶ 61,010 (2014)).

<sup>33</sup> *Montana Alberta Tie, Ltd.*, 119 FERC ¶ 61,216 at P 3 (citing *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, FERC Stats. & Regs. ¶ 31,036 (1996), *order on reh'g*, Order No. 888-A, FERC Stats. & Regs. ¶ 31,048, *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff'd sub nom. New York v. FERC*, 535 U.S. 1 (2002)).



different business model and the unique layout and resulting services offered, certain differences from the *pro forma* OATT should be allowed.<sup>34</sup> One of those differences includes MATL's proposal to revise its OATT to provide that all customers will be required to execute a TSR Agreement.<sup>35</sup> We find that the proposed deviation to the SGIP and corresponding revision to the SGIA proposed by MATL, and previously accepted by the Commission, continue to comply with the *pro forma* SGIP and the *pro forma* SGIA, as revised by Order No. 792. Therefore, we find that the proposed revisions to MATL's SGIP, section 4.8 and SGIA, section 1.10 are consistent with Order No. 792.

The Commission orders:

MATL's compliance filing is hereby accepted, effective August 1, 2014, as requested.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.

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<sup>34</sup> July 20 Order, 116 FERC ¶ 61,071 at PP 56-60; *Montana Alberta Tie, Ltd.*, 119 FERC ¶ 61,216 at P 3.

<sup>35</sup> July 20 Order, 116 FERC ¶ 61,071 at PP 56-60; *Montana Alberta Tie, Ltd.*, 119 FERC ¶ 61,216 at P 6.